CITY OF MINNEAPOLIS REVIEW OF FILINGS OF THE STATEMENT OF ECONOMIC INTEREST CALENDAR 2007

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Internal Audit Review of Filings of the Statement of Economic Interest Calendar 2007

In compliance with Minnesota Statute 10A.09, Internal Audit has reviewed the filings of the Statement of Economic Interest (SEI), and related documents, for calendar year 2007. The statute, as it applies here, stipulates the SEI document is to be filed within 60 days of accepting employment as a public or a local official in a metropolitan governmental unit.

Statements are filed by appointed officials as well as candidates and elected officials in a metropolitan government unit. In addition to the City proper, governmental units under review include the Park & Recreation Board, and the Minneapolis Public Library Board (through 2007). The adoption of the Code of Ethics in 2003 resulted in several additional positions being defined as local officials and includes Mayoral and City Council appointees to certain boards and commissions. The SEI filing requirements now include appointees and representatives from the City Planning Commission, Metropolitan Sports Facilities Commission, Minneapolis Public Housing Authority, Bassett Creek Watershed Management Commission, McKnight Family Housing Fund and the Shingle Creek Watershed Management Commission. Finally, the Minneapolis School Board was added in 2004 to those SEI's maintained by Elections.

The City's Elections Office conducts the coordinating and centralized processing, collection and retention of the SEI statements. All individuals required to comply with this filing were sent SEI material, reminders were sent to those who did not initially respond, plus follow-up contact via phone calls and/or emails was also made.

The reviews conducted here sought first to verify that the appropriate form was on file, signed by the individual, dated and contained the requested information. Beginning last year and continuing this year, Internal Audit selects, by means of a haphazard sample, three City employees who have "signature authority" in order to review their SEI listed holdings/investments in more detail to determine if there is the potential for conflict of interest. None of the three employees reviewed this year had any investments or holdings come to IA's attention which may have been construed as a potential conflict of interest with their City employment.

The City of Minneapolis has sixteen elected positions which are required to file the SEI document on an annual basis. Additionally, there are another 151 appointed positions when fully staffed (currently nine vacancies exist) which require SEI filing, including 42 members of various boards. At the time of the initial review, only two SEI forms were unaccounted for. According to Minnesota Statute 10A.09 Subd. 7 and 8; late filings or failure to file can lead to subsequent fines and/or suspension.

Internal Audit then allowed Elections a few days to follow-up on the two missing SEI filings. As of the final writing of this report, both of the outstanding SEI filings had been completed and returned, resulting in a 100% return rate for the first time during Internal Audit's annual SEI review.

Internal Audit wishes to recognize the **outstanding** efforts of both Carol Strong and Cindy Reichert of Elections for their work in reorganizing and streamlining the SEI process. This year's review was by far the least time consuming effort, from an Internal Audit perspective, since the analysis was begun. There are no recommendations for this years report.

FOLLOWUP OF PRIOR (CALENDAR 2006) RECOMMENDATIONS:

1. The Elections Office should continue to follow-up on those required City SEI forms not yet accounted for (19 for calendar 2006). Additionally the Contract Administrator position should be added to the list of those required to complete an SEI form.

RESULT: After much follow-up by Elections staff, all nineteen missing 2006 SEI documents were ultimately received and verified by Internal Audit. Additionally, the Contract Administrator position has been added to the list of those positions required to complete an SEI form.

2. The Elections Office, Human Resources and Internal Audit should continue to discuss available communication options in order to further develop a reporting process whereby the Elections Office is sufficiently informed regarding position changes involving SEI filings.

RESULT: Meetings were held between these parties and, as a result, Elections now has expanded access to the HRIS system regarding SEI positions as well as having improved lines of communication overall. Human Resources continue to maintain the HRIS system which contains an SEI flag in the database for all positions requiring SEI filing.

3. The Elections Office, Internal Audit, Finance and the Ethics Officer should review the current list of positions requiring the filing of a SEI. City Council approval will be sought for any changes which are proposed to this list.

RESULT: Human Resources maintain the list of paid City positions for which SEI's must be filed. The Elections Office maintains the lists of elected City officials and Cityappointed board members subject to the requirements. The Elections Office also maintains the list of elected school officials per a contractual agreement between the City and Special School District No. 1.

The Elections Office will then annually route the list of paid City positions subject to filing to Department Directors for their review. The list is then forwarded to the Ethics Officer and Director of Human Resources for review. Upon completion of the staff review process the final list of paid City positions subject to SEI filing, is then sent on to the City Council for their approval.